

To EU Commission  
From Dansk Offshore



## Dansk Offshores remarks to public consultation on "Legislative initiative on CO2 transportation infrastructure and markets"

January 9, 2026

### 1. Introduction

Dansk Offshore is the industry organization for companies with upstream oil, gas and CO<sub>2</sub>-storage activities offshore and onshore in Denmark.

Denmark's onshore and offshore geology offers the possibility for large-scale, reliable CO<sub>2</sub> storage for Europe. The Danish Authorities has so far granted 6 exploration licenses for geological storage of CO<sub>2</sub> and recently granted one full scale CO<sub>2</sub> storage permit. License holders that are members of Dansk Offshore (in alphabetical order) are:

- CarbonCuts
- Equinor Low Carbon Solutions Denmark
- Harbour Energy
- INEOS Energy
- Nordsøfonden
- TotalEnergies
- Ørsted

Several of these companies have given individual contributions to this consultation. Hence, this document supplements the contributions made by our members.

#### 1.1 Investor friendliness is a paramount need at this stage

It is a very important principle throughout this note that in Dansk Offshore's view the market for CCS in Europe is still in an emerging phase and fragile.

Hence, the upcoming 2026 regulation should as a general rule be investor-friendly and not focus on the prevention of potential market-abuses.

Especially on rightsizing CO<sub>2</sub>-infrastructure there is currently a "chicken-and-egg-problem" that needs to be dealt with. In the absence of impossible coordination amongst up- and downstream players, the CO<sub>2</sub>-transportation value chain (midstream) may become trapped in a low-supply equilibrium, despite the existence of an economically more superior high-supply equilibrium. That needs to be avoided.

Hence, we believe that a key focus in the upcoming regulation should be to develop upstream (CO<sub>2</sub>-capture) subsidies that can act as a coordination device by lowering fixed costs further downstream and resolve the problem of rightsizing CO<sub>2</sub>-infrastructure without distorting final demand for the same.

## 1.2 Overregulation must be avoided

Avoiding overregulation is key to attracting initial investments to realize current first mover projects that facilitate CCS as a tool to reach EU's climate goals.

Furthermore, we also believe that it is important to avoid overregulation later on as the market matures. We welcome a predictable and stable regime.

Hence, today's task for regulators is to give fast and pragmatic support to first mover projects, while still mitigating justified public concerns over CCS such as e.g. safety for people living near CCS-installations.

## 1.3 Market development

Many of our comments given both in the questionnaire and below reflects our best guess on how the market for CO<sub>2</sub>-transport infrastructure will develop in Europe.

*Initially* (the phase we are in right now), we believe that the transportation market will be dominated by several point-to-point solutions connecting one or a few emitters with a single CO<sub>2</sub>- storage site.

*In the second phase*, we will see clusters emerging, where two or more storage sites/ two or more emitters will start to coordinate their infrastructure needs if they can align on timelines and financial risks.

At this stage, MS/EU needs to be proactive to secure that CO<sub>2</sub>-transportation infrastructure is "right-sized" for future needs. Especially high-CAPEX-low-OPEX-infrastructure (e.g. CO<sub>2</sub>-pipelines, intermediate storage and harbor terminals etc.).

*In the third phase*, clusters are forged together to a single liquid market facilitated by large scale onshore/offshore transmission pipelines.

## 2. Further remarks to specific questions in the questionnaire

### Remarks to question 1

Adding to our remarks on question 1:

Regulation must at all times reflect the current market stage and the experience gained by market participants and policy makers at that point in time.

It is important not to pre-empt market developments when considering new policies and regulations.

### Remarks to question 2

Adding to our remarks on question 2:

Onshore and offshore transportation of CO<sub>2</sub> will likely be exposed to different competition dynamics. Ships and pipelines are competitive options for offshore transport and should thus not be characterized as natural monopolies with e.g. TPA and unbundling requirements.

### Remarks to question 5

Adding to our remarks on question 5, please see our more detailed remarks below:

### 5.4 Streamlining the permitting framework

While we see the London protocol and Helcom as barriers for CCS in Europe we also want to add that we fully agree with the objectives behind these two legal frameworks.

However, the objectives behind the London protocol and Helcom are covered by other regulations too, including current EIA regulation. Hence, we call for EU to find solutions to overcoming the barriers they represent.

5.12 De-risking investments in the CO<sub>2</sub>-transport infrastructure. Often CO<sub>2</sub>-transport infrastructure sometimes has high CAPEX and low OPEX. This is e.g. the case with CO<sub>2</sub>-pipelines.

When in fact, high-CAPEX/Low OPEX-transport is the case, we call for subsidies to incentivize "right sizing" of capacity. Not only for today, but also for the future. We have no common opinion in Dansk Offshore on which financial measure to use (e.g. CfD; overcapacity booking etc.).

#### Remarks to question 7

Adding to our remarks on question 7, we want to stress that other key barriers to CO<sub>2</sub>-transport infrastructure are permitting, and public acceptance of CO<sub>2</sub>-infrastructure.

#### Remarks to questions 39

Adding to the multiple-choice answers in question 39, we want to highlight the following:

Given the nature of the questions in question 39, we fear that the EU Commission sees all CO<sub>2</sub>-pipelines as natural monopolies. We disagree.

We believe it is only onshore large-scale CO<sub>2</sub>-transmission pipelines that could be subject to regulation as natural monopolies in the future.

At this point in time there are no transmission pipelines in place in the EU. And until we know the competitive landscape in which onshore transmission pipelines onshore will operate, we will consider regulation today as premature overregulation that could in fact prohibit the development of large-scale CO<sub>2</sub>-transmission pipelines.

We therefore urge the EU Commission to postpone any considerations on regulating pipelines as natural monopolies to a later point in time.

#### Remarks to questions 40

Adding to the multiple-choice answers in question 40, we want to highlight the following:

We believe that CO<sub>2</sub>-networks are best compared to the clusters mentioned in the second market stage referred to in section 1.3 above.

There are currently close to 60 exploration licenses for storage of CO<sub>2</sub> in the countries around the North Sea - hence we will see a huge amount of clusters emerging soon. This market dynamic does not constitute a natural monopoly.

#### Remarks to questions 41 and 42

Adding to the multiple-choice answers in question 41 and 42 (and written remarks to question 42), we want to highlight the following:

Please see our remarks to question 40 above.

We do not believe that discriminatory conduct is a risk with so many possible CO<sub>2</sub>-networks soon to become operational.

The current provisions in the CCS Directive are in our view sufficient, and the EU Commission should not introduce additional regulation that can make things less flexible than they are today.

Furthermore, we believe that unbundling should only take place when and if we enter the third phase of development mentioned in section 1.3 above and only for market participants that at the same time owns/operates upstream or downstream and owns/operates onshore large-scale CO<sub>2</sub>-transmission pipelines. Ownership/operatorship of these pipelines is not compatible with market involvement in other parts of the CCS value chain.

**Remarks to questions 43 and 44**

Adding to the multiple-choice answers in question 43 and 44, we want to highlight the following:

There are currently close to 60 exploration licenses for storage of CO<sub>2</sub> in the countries around the North Sea. Currently, 1 license is operational within the EU (Greensand) and 1 is operational outside the EU (Northern Lights).

Over the coming years, we will see many more CO<sub>2</sub>-storage sites become operational, changing the fundamental market dynamics in and around the North Sea. That will involve strong competition with thin margins for all CO<sub>2</sub>-storage sites in Northwest Europe.

We do, however, recognize that EU law should apply to all geographies in Europe. Including countries where the potential for storing CO<sub>2</sub> is very limited.

In our view that call for MS regulating that particular case – and EU on focusing on bringing CO<sub>2</sub> to the North Sea through subsidies for emitters.